

# COLLEGE OF THE NORTH ATLANTIC ANNUAL REPORT 2001-2002

## Total Enrolment 2001-02

	General Studies		Total
	Full Learning	PT	
Baie Verte			
Bay St. George			
Bonavista			
Burin			
Carbonear			
Clareville			
Corner Brook			
Gander			
Grand Falls - Windsor			
Happy Valley - Goose Bay			
Labrador West			
Placentia			
Port aux Basques			
Prince Philip Drive			
Ridge Road			
Seal Cove			
St. Anthony			
Topsail Road			
	6151	651	

# Our Mission

College of the North Atlantic is Newfoundland & Labrador's public college. We are committed to providing accessible, responsive, quality learning opportunities that prepare people to become self-sufficient contributors to social and economic development in a global context.

# Our Vision

To fulfill its education and training mission, the public college of Newfoundland and Labrador will:

Be recognized for satisfied employable graduates whose skills meet industry's standards and respond to the broad range of labour market demands.

Research and deliver quality programs that are responsive to changing social, personal, and economic needs of learners through continuous review and modification of programs.

Monitor accountability to ensure effectiveness and efficiency.

Continually enhance learning opportunities by implementing superior methods of instructional delivery.

Be proactive in the social and economic development of the province.

Enhance the capacity of the college and the province through international initiatives.

Recognize and respect the value of employees and their contribution to quality programs and services.

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Annual Report 2001–2002

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# President's Message

College of the North Atlantic has had great success in its pursuit to fulfill its vision and mandate over the past year. The recent report *Career Search*, released by the province in November 2002 clearly illustrates this. Our graduate employment statistics are extremely positive and graduates report a higher level of satisfaction with their investment of time and money in the College.

The College continues to increase credit transfer opportunities for students through its articulation agreements with other colleges and universities. Several new agreements, affording greater student mobility, have been signed over the past year.

College of the North Atlantic continues to act as a support, and often a catalyst, for social and economic growth in the communities it serves. Our employees are a valuable resource to their communities offering their time, expertise, and leadership skills. The College's contribution has included the incubation of new business, development of prototypes, and access to state-of-the-art technology and equipment. We are well positioned to continue our participation as a full partner in economic revitalization.

The College has experienced great success in the growth of its distributed learning service. Web-based courses improve the accessibility of post-secondary education for the people of Newfoundland and Labrador, especially for those whose time and geography restrictions make it impossible for them to participate in traditional learning opportunities. An aging population, already in the workforce, and a shrinking high school population make it imperative that we continue to offer flexible learning opportunities.

College of the North Atlantic has had resounding success on the international front. September 2002 saw the opening of College of the North Atlantic-Qatar with a staff of approximately 55, and a student enrolment of approximately 300. This international contract, between the College and State of Qatar, is the largest ever awarded to a Canadian educational institution.

In September 2002, approximately 50 students in China graduated from College of the North Atlantic with a diploma in Engineering Technology. These students are the first graduates of the College's offshore programs.



The College participates in educational reform projects in many developing countries as well as a number of fee-for-service contracts. Exporting our educational expertise to other countries and helping them to adapt it to their own environment, is a win-win undertaking. Robin Farquhar, a professor of Public Policy and Administration at Carleton University, wrote: "The better the Canadian culture is understood, the more highly respected it will be on the global arena and thus the higher its international influence can be." (*Advancing the Canadian Agenda for International Education, June 2001*)

We have had exceptional growth in the enrolment of international students in the College this past year. As well, we have more employees than ever before involved in international initiatives. Our understanding, including our students' understanding, of other cultures will help all of us function better in an increasingly global society.

All-in-all we have much to be proud of! Our accomplishments can be attributed to the commitment and talent of the graduates, employees, and students of College of the North Atlantic.

The College continues to face a number of significant challenges including the recruitment and retention of qualified staff. Demographic realities make it ever-more important to provide an attractive work and learning environment. Professional development opportunities for all staff are an absolute necessity.

Other challenges include an aging infrastructure; the replacement of old and out-dated equipment; and the acquisition of new resources to maintain the quality of our programs and the knowledge and skills of our graduates. To that end we must continue to work with our government and other public and private sector partners.

The College takes great pride in the provision of its education and other related services through the operation of its 17 campuses in the province. We must continue to maintain a strong presence throughout Newfoundland and Labrador. We value the strong relationships we have with our communities and remain steadfast in our commitment to serve and remain accessible to the entire province.

A handwritten signature in blue ink that reads "Pamela Walsh". The signature is fluid and cursive.

Pamela Walsh  
President



# Board Chair's Message

The Board of Governors of College of the North Atlantic is the legislated owner and final authority for College of the North Atlantic, whose assets and operations they hold in trust for the people of Newfoundland and Labrador. It is the Board of Governors, therefore, that is ultimately accountable to the public for how well the College has managed its assets and operations.



As trustees, the Board is also ultimately responsible for maintaining the overall integrity of the institution. It is our collective duty to insist that the mission and vision of the College is clearly understood by all stakeholders and that the organization's major financial and educational decisions are consistent with them. This annual report, in our respectful opinion, provides clear evidence that College of the North Atlantic has made considerable progress in this regard, especially over the past few years. We firmly believe that the collective pursuit of the College's mission and vision – as first articulated by the Board in September 1999 – will allow College of the North Atlantic to continue to thrive and excel as it pursues its mandate provincially, nationally and beyond.

The Board has made a conscious decision to lead and steward the organization by championing the College's strategic planning process. The wisdom of this decision is already quite evident. We are very confident that the strategic pursuit of our collective mission and vision will lead to further successes in the future.

The Board will continue to work with the Government of Newfoundland and Labrador to ensure that the Board is composed of individuals who possess the highest degree of relevant experience, skill, and expertise; individuals who are leaders in their respective communities; individuals who reflect the values of the people of Newfoundland and Labrador.

The Board of Governors of College of the North Atlantic is very proud of the organization's many achievements over the past 12 months. We continue to believe the College is well positioned to successfully respond to the various challenges it will face in the coming months and years.

A handwritten signature in blue ink that reads "Moya Cahill". The signature is fluid and cursive.

Moya Cahill  
Board Chair

# College Overview

College of the North Atlantic, Newfoundland and Labrador's public college, is one of the largest post-secondary educational and skills training centres in Canada, offering over 90 full-time programs and more than 300 part-time courses. The product of an amalgamation of five regional colleges, College of the North Atlantic has served the entire province since 1997. While the name is relatively new, the College and its predecessor institutions have a long history of providing post-secondary education and services to provincial, national, and international students and clients.

College of the North Atlantic serves a provincial population of 533,761, spread over a landmass of some 405,720 square kilometres (more than three times the combined area of Nova Scotia, New Brunswick and Prince Edward Island). The College has 17 campuses and 12 learning centres located throughout the province, and one international campus in the Middle East State of Qatar. The College's Headquarters, including the President's office, is located in Stephenville on the west coast of the island.

Operating on an annual budget of approximately \$90 million, College of the North Atlantic serves more than 9,000 full-time students and employs up to 1,300 staff at peak periods. Annually, the College graduates some 3,000 students from its comprehensive, career-oriented certificate, diploma, and post-diploma programs, which range in duration from one to three

years. The College offers a comprehensive range of programs in Applied Arts, Business, Health Sciences, Engineering Technology, Industrial Trades, Information Communications Technology, Natural Resources, Adult Basic Education, and English as a Second Language.

The College's Distributed Learning Centre and the province-wide, state-of-the-art broadband infrastructure that supports this service, further enhances the College's ability to provide quality learning opportunities in all regions of the province – and indeed globally. The College leads the way in technological innovation, and is designated as one of only six Certified WebCT Institutes in Canada. It continues to receive national and international recognition for its innovation in the e-learning field.

College of the North Atlantic has the proven capability to develop and deliver customized training for a wide variety of clients. Whether drawing upon its extensive inventory of existing program options or calling upon the expertise of over 600 highly skilled faculty members, the College routinely provides specially tailored curriculum to corporations, government departments, agencies, institutions, and community organizations. Training programs have been developed in various sectors including business, health care, multimedia and information technology, oil and gas, forestry, environmental sciences, and mining.

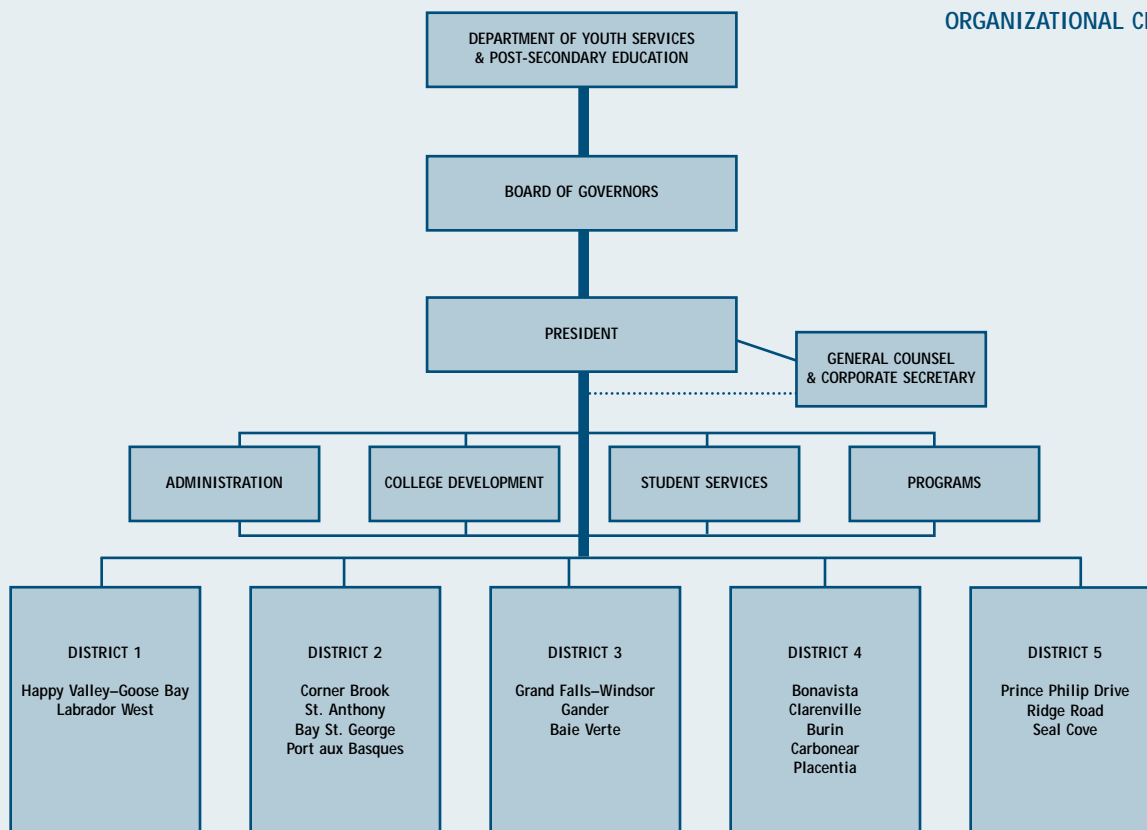
In the marketing of its programs and services on the international level, the College invites applications from international stu-

dents, while seeking opportunities for Canadian students to study at home and abroad. It also provides opportunities for staff and faculty involvement in the development and delivery of international initiatives. College of the North Atlantic also participates in, and delivers, major educational reform initiatives in a number of developing countries. The College has worked, or works with, clients in Argentina, Chile, Jamaica, Barbados, Lebanon, Peru, Tanzania, India, Pakistan, China, Latvia, Lithuania, Russia, Kazakhstan, Libya, Yemen, Egypt, Jordan, Thailand, Malaysia, Vietnam, and Gaza/West Bank.

In September 2001, College of the North Atlantic signed a 10-year, \$500 million U.S. agreement with the State of Qatar to develop and operate a comprehensive college of technology in that country. This is the largest educational export contract ever awarded to a Canadian post-secondary educational institution. Under the terms of the contract, College of the North Atlantic will operate a full-service campus – the College's first outside of Canada, offering a wide range of programming and creating opportunities for international student, staff, and faculty exchanges.

College of the North Atlantic has formal articulation agreements in place with Memorial University of Newfoundland, and other universities in Canada and abroad. These agreements permit students in qualifying programs to seamlessly transfer from college diploma to university degree programs or, increasingly, from university degree to college programs.

## ORGANIZATIONAL CHART



# Divisional Reports

## ADMINISTRATION DIVISION

### I. Information Technology

College of the North Atlantic's Information Technology (IT) department continues to provide leadership in technical support of the College's mandate. The College has significantly expanded its video conferencing service over the past year. The Wide Area Network was redesigned, increasing its capacity and resulting in a logical separation of video information and other network-related information such as e-mail and web access. The College's video bridge, which provides multipoint conferencing, was also upgraded. These enhancements significantly improved the stability and reliability of the College's video conferencing service.

The College also upgraded its mail and messaging system to the latest version of Microsoft Windows Server and Exchange. This service was deployed on a state-of-the-art Storage Area Network. It is anticipated that all network services, such as the College's web servers, database servers, and business servers will reside on this Storage Area Network platform.

The College installed an Open Learning Information Network (OLIN) funded Ca\*NET III facility at Clarenville and Bay St. George campuses. Ca\*NET is a CANARIE sponsored national optical research and development Internet system using Dense Wave Division Multiplexing technology. This connection puts these campuses in touch with educational research initiatives in colleges and universities throughout Canada.

The enterprise version of WebCT was acquired and installed on behalf of the College's Distributed Learning Service. This platform is being used to continue development of hundreds of web-based courses that are available to students throughout the province, the country, and the world. This year the college began the delivery of real-time distance education courses using video conferencing technology. Courseware was delivered from campuses such as St. Anthony and St. John's to campuses such as Corner Brook and Grand Falls-Windsor. Additional courses and programs are planned for delivery, using this technology, in the fall of 2002 from campuses such as Labrador West, Happy Valley-Goose Bay, St. Anthony, and Port aux Basques.

Much of the College's learning and administrative activities take place on the College network. In the past year, the firewall, encryption, network intrusion, and enterprise antivirus strategies were upgraded to further enhance the reliability, availability, and security of the College's network.

A number of major enhancements also took place in the College's Student Information System. The most significant of these was the integration of continuing education non-credit offerings into the system. Other changes included the establishment of a virtual campus to accommodate the needs of the Distributed Learning Service, an improvement in the administration of elective courses, an improvement to the web-based academic record, and the development of a web-based application for admission to the College.

The College continued to expand its use of high-speed wireless network environments with additional point-to-point installations at Clarenville, Bonavista, Happy Valley-Goose Bay, and Bay St. George. The completion of a multi-zone high speed Local Area Network at Headquarters provides services to mobile college computer resource users.

The College successfully negotiated a new MSDN-AA license agreement with Microsoft Canada that allows unlimited installations of server products and Viso Professional software in its program delivery areas. This has eliminated a long-standing difficulty the College has experienced in meeting this program need in a cost effective manner, while providing greater flexibility in course content.

Finally, the College upgraded its Local Area Network infrastructure at a number of its campuses to bring them in line with "best-of-breed" network technologies typically found in industry.

### II. Finance

One of the College's significant achievements over the past year is the completion of the Fixed Assets Inventory project. As a direct result of this project, College of the North Atlantic has received an unqualified audit report on its financial statements for the first time. The multi-year project was completed in March 2002. The College now has a verifiable database of capital equipment and furnishings. It can auction off or dispose of obsolete items and re-distribute surplus items amongst its 17 provincial campuses. The College will continue to manage the database with regular inventory counts using electronic scanning equipment.

The College is presently installing an integrated retail software program at all bookstores. Because of the perpetual nature of the system, the College will be better able to manage its resale operations. As well, efficiencies will be achieved through the consolidation of procurement activities.

This coming year will see great financial challenges for the College. With anticipated grand-in-aid funding reductions and deferred expenditures from the past fiscal year confronting the institution, the College will be challenged to maintain existing levels of service and program quality. With growing demands in the industrial sector, greater expectations will be placed on the College to perform with fewer resources.

For the coming year, the College has presented a balanced budget with no permanent staff reductions or tuition increases. However, allocations for non-salary expenses, materials, and supplies were greatly reduced. For the past number of years these supply costs amounted to approximately 30% of gross expenditures. For the upcoming year the budget for these costs has been reduced to 24%.

### III. Facilities

The College established a Provincial Facilities Manager position on April 1, 2001. This manager is responsible for coordinating all operational activities relating to purchasing, bookstores, receiving, fixed assets, vehicle use, and operation and maintenance.

A review of the College's Occupational Health and Safety (OH&S) Committees was also completed over the past year. All sites now have OH&S committees in place and each has received training regarding the responsibilities of committee members, the recording process, and the development of OH&S policy and procedures. Training will continue, as will the development and implementation of safety procedures, at all locations.

Over the past year, the College has developed an energy management action plan; completed an energy audit at Prince Philip Drive Campus; developed a Request For Proposals for a space utilization study; developed as-built drawings of all campus facilities in digital format; completed substantial renovations at Headquarters – creating much needed additional office and meeting space; completed renovations to Grand Falls-Windsor Campus' Literacy Centre, book store, receiving area, and computer lab; developed a plan to rehabilitate the building envelope at Prince Philip Drive Campus; prepared an environmental risk review at all campus sites; and accumulated maintenance and renovation project data for submission to the Department of Works, Services, and Transportation.

### IV. Human Resources

The year 2001-02 was very busy for the Human Resources (HR) department, as recruitment activity increased in response to reorganization, retirements, and the backfilling of positions vacated by employees assuming positions with CNA-Qatar.

Throughout the year the College also supported several professional development initiatives. More than 100 employees were sponsored to participate in an online leadership development program, and at Labrador West Campus 10 employees piloted a peer-learning program. A workshop on personal accountability was also held for 22 employees at Clarenville Campus. The College engaged two employees to develop College-specific frameworks for team development, mentoring, and leadership skill development. A faculty member was seconded to develop an instructional skills development program, and work continued on a new orientation program for new employees. The College continues to support participation in the Atlantic Colleges Development Institute, and 14 employees were sponsored to attend this past year. As well, the College acquired 10 new training modules on leadership development from recognized industry leader Achieveglobal.

In the area of labour relations, much emphasis was placed on negotiations for two new collective bargaining agreements. Early in the fiscal year, after a four-day strike, a tentative agreement was achieved with the support staff bargaining unit. It provided for improvements in wages, grievance procedures, and employee development. An agreement was signed in September 2002 with the College's faculty bargaining unit. Both collective agreements span a three-year period.

The HR department has undertaken many other initiatives including succession planning, an employee wellness program, the employee improvement framework, a compressed work week program, and a deferred salary leave plan for support staff.

<b>HUMAN RESOURCE STATISTICS</b>		<b>WORKFORCE EXIT</b>	
College Employees at Peak Period	1,300	Resignations	35
Salary Budget (2001/02)	\$63,565,800	Retirements	21
Average Age of College Employees	44 Years	Redundancies	5
Positions Filled through Competition	270	<b>PROFESSIONAL DEVELOPMENT</b>	
Employees Recalled	912	Employees	192
<b>RECRUITMENT &amp; SELECTION ACTIVITY - QATAR CAMPUS</b>		Total Cost of Professional Development	\$530,370
Positions Advertised	39	<b>PAYROLL ACTIONS</b>	
Positions Filled Internally	33	Payroll Transactions	6,331
Positions Filled Publicly	6	Continuing Education Transactions	1,959
		<b>POSITION CLASSIFICATION</b>	
		Requests for Position Classification/Reclassification	20

# Divisional Reports

## STUDENT SERVICES

*Access for Success* is a major new initiative of the Student Services Division. Funding in the amount of \$2 million over approximately two and one half years was provided under the federal/provincial Labour Market Development Agreement (LMDA) in support of this project. Key elements of the initiative include the development of attrition prevention assessments, personalized career plans, career development portfolios, and student success tracking and structured advising systems. The holistic implementation of all of these components will greatly enhance the success of students at the College.

Advances were made in technology applications in Student Services. The web-based library information system (SIRSI) saw its first full year of operation in 2001-02. The purchase of Kurzweil software, and the delivery of training in this software, expanded our ability to provide an increased level of assistance to students with special needs. Research was also undertaken to identify a system to replace the current Student Information System. The College requires an expanded capacity to track student success data and related processes, in order to identify and develop appropriate intervention strategies.

The Registrar's Office oversaw the registration of all students, grade reporting, and the issuing of graduation credentials. Work continued on processes to allow the registration of continuing education students into the Student Information System. Over the past year, web-site connectivity was improved with the introduction of online services for students and potential students.

Student Services professionals continued to advance the quality of services provided to students throughout 2001-02. Each professional team within the division - Counselling Services, Student Affairs and Employment Services, Library Services, Co-op Education, Special Needs, and Registrar/Admissions, met on a regular basis throughout the year, often using the College's web-based video conferencing capabilities. The exchange of ideas and professional collaboration engendered by these team processes resulted in policy refinement, service improvements, and enhanced consistency in operations. Accountability was a major theme of each of the team's meetings, as processes surrounding service planning, implementation, and evaluation were refined.

*Access to Training & Careers*, a career development process designed to assist students enrolled in the Adult Basic Education program, was implemented in September 2001. The feedback received on this new process was extremely positive and improvements in design and delivery elements continued throughout the course of the year.

## PROGRAMS

New programs added to the College's core programming in 2001-02 were a two-year Heritage Carpentry program at Carbonear Campus, a three-year Manufacturing Operations Technology program at Corner Brook Campus, a two-year Small Equipment Repair program at Bay St. George Campus, and an Industrial Instrumentation Mechanic program at Seal Cove Campus.

The highlight of the year for the School of Health Sciences was its relocation from Topsail Road Campus to the new, state-of-the-art, \$6 million Health Sciences wing located at Prince Philip Drive Campus. The School was also successful in obtaining a five-year articulation agreement with the School of Occupational Therapy at Dalhousie University in Halifax, Nova Scotia. Under the terms of this agreement, eligible graduates of the College's Occupational Therapist's Assistant program will receive credit for three of the five full-time university credits required for entry into the university program.

The School of Industrial Trades continued to make progress on a number of fronts over the past year. The School was successful in acquiring accreditation status for all 39 of its offerings in May 2002. The School also continues to pursue the implementation of competency-based and web-based course deliveries.



Above: Health Sciences programs relocate to a new state-of-the-art facility.



Left: The web-based library information system, SIRSI, sees its first full year in operation.



# Divisional Reports

## COLLEGE DEVELOPMENT

The Division of College Development, established in the fall of 2000, is responsible for the coordination of all advertising, marketing, public relations, communications, and scholarship acquisitions for the College. Staff have worked diligently to improve the visibility and profile of the College, to standardize the functions of marketing and communications throughout the organization, and to assist with student recruitment.

The Division publishes *Currents*, the College's quarterly newsletter. News releases are issued on a regular basis and media coverage has been significantly enhanced. Advertising and promotions have been standardized, and all print and radio advertising, and promotional events are now coordinated provincially. The utilization of a full-time graphic artist has had positive results including a significant improvement in the quality of various College advertising and promotional materials.

Ongoing divisional initiatives include the revitalization of the College's website, the implementation of a trademark program, and the development of comprehensive strategic communications and marketing plans.

## OFFICE OF THE GENERAL COUNSEL & CORPORATE SECRETARY

The General Counsel and Corporate Secretary position, established in March 2001, provides legal advice, corporate leadership advice, and related support services to the Board of Governors and the College's senior management team.

Over the past year, the General Counsel and Corporate Secretary has developed a contemporary and comprehensive resource inventory in five key areas: the College's institutional practices, policies, and procedures; relevant federal and provincial legislation, regulations, policies, procedures, and contract forms and precedents; jurisprudence relevant to public-sector post-secondary institutions; relevant scholarly, legal, and corporate governance research; and the practices, policies, and procedures employed at other post-secondary, public, and private-sector corporations.

The General Counsel is currently engaged in the development and implementation of a protocol for legal consultation within the institution, as well as the compilation of a comprehensive, institutionally relevant database of legal resource materials. The development and implementation of a comprehensive risk management system capable of facilitating the systematic identification, analysis, co-ordination, and management of institutional risk, as well as the implementation and oversight of various risk management protocols and strategies, is ongoing. The Office is currently overseeing the development, implementation, and management of comprehensive institutional strategic planning and accountability frameworks.



Promotional brochures produced by the Division of College Development

# Campus Reports

## Baie Verte Campus

Student enrolment:	253
Full-time:	226
Part-time:	27
Faculty:	25
Administration:	1
Support Staff:	11

Baie Verte Campus is the sole provider of post-secondary education to the people of the Emerald Zone. Programs include Adult Basic Education, Multi Skills Industrial Training, Office Administration, and Steamfitter/Pipefitter.

## Bay St. George Campus (Stephenville)

Student enrolment:	903
Full-time:	835
Part-time:	68
Faculty:	60
Administration:	3
Support Staff:	43

Bay St. George Campus offers the most programs of any College campus with a total of 24 full-time diploma and certificate programs. The programs are derived from the Schools of Applied Arts, Business, Engineering Technology, Information Communications Technology, and Industrial Trades. Specific programs include Community Studies, Business Studies, Journalism, Digital Animation, Visual Arts, Commercial Cooking, Commercial Baking, Music Industry and Performance, and Recording Arts.

## Bonavista Campus

Student enrolment:	148
Full-time:	136
Part-time:	12
Faculty:	12
Administration:	1
Support Staff:	6

Bonavista Campus has the unique feature of being linked with a local high school. Many high school students complete college courses for which they receive advanced credit. Programs include Fish and Wildlife Technician, Office Administration, Construction/Industrial Electrical, Access to Training and Careers, and Adult Basic Education.

## Burin Campus

Student enrolment:	558
Full-time:	486
Part-time:	72
Faculty:	40
Administration:	2
Support Staff:	11

Burin Campus is one of only three College campuses with a residence. Burin's residence facility can accommodate 96 students. The College's Welding Engineering Technology Centre is located at the campus. Other programs include Business Studies, and a College-University Transfer Year.

## Carbonear Campus

Student enrolment:	346
Full-time:	225
Part-time:	121
Faculty:	25
Administration:	1
Support Staff:	11

The regional population served by the Carbonear Campus is approximately 50,000. Heritage Carpentry, a new program offered by the College, is located at the campus. The campus also offers Business Studies, Information Technology programs, and a College-University Transfer Year.

## Clareville Campus

Student enrolment:	389
Full-time:	317
Part-time:	72
Faculty:	29
Administration:	2
Support Staff:	15

Home to the Distance Education (New Media Learning) Centre of Excellence, Clareville Campus offers programs including Business and Office Administration, Carpentry, Steamfitter/Pipefitter, Engineering First Year, Multimedia Internet Development, and Website Administrator.

## Corner Brook Campus

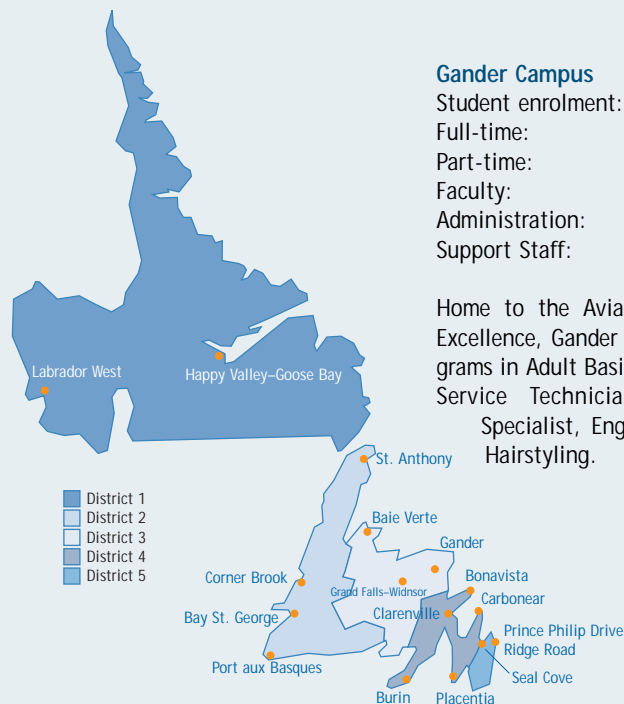
Student enrolment:	853
Full-time:	772
Part-time:	81
Faculty:	80
Administration:	5
Support Staff:	34

Located in the City of Corner Brook, the campus is home to the Centre for Forest and Environmental Studies. Campus programs include Manufacturing Operations Technology, Adventure Tourism, Business Studies, Adult Basic Education, Forest Resources Technician, and Engineering Technology.

## Gander Campus

Student enrolment:	348
Full-time:	326
Part-time:	22
Faculty:	38
Administration:	1
Support Staff:	7

Home to the Aviation Training Centre of Excellence, Gander Campus also offers programs in Adult Basic Education, Automotive Service Technician, Computer Support Specialist, Engineering First Year, and Hairstyling.



# Campus Reports

## Grand Falls-Windsor Campus

Student enrolment:	635
Full-time:	411
Part-time:	224
Faculty:	43
Administration:	3
Support Staff:	17

Located in the central region of the province, Grand Falls-Windsor Campus offers Business Studies, Programmer Analyst, Adult Basic Education programs, and a College-University Transfer Year.

## Happy Valley-Goose Bay Campus

Student enrolment:	530
Full-time:	478
Part-time:	52
Faculty:	35
Administration:	2
Support Staff:	21

Happy Valley-Goose Bay Campus provides a wide range of programs including Adult Basic Education, Heavy Equipment Operator/Service Technician, Machinist, Multi Skills Industrial Training, Northern Natural Resource Technician, Office Administration, and Plumbing. The campus is also piloting courses that employ the College's video-conferencing technology.

## Labrador West Campus

Student enrolment:	361
Full-time:	326
Part-time:	35
Faculty:	30
Administration:	1
Support Staff:	13

Its proximity to the Iron Ore Company of Canada enables Labrador West Campus to offer a Mining and Mineral Processing Technician program in partnership with that company. Additional programs include Adult Basic Education, a College-University Transfer Year, Computer Support Specialist, Engineering First Year, and Office Administration.

## Placentia Campus

Student enrolment:	257
Full-time:	238
Part-time:	19
Faculty:	16
Administration:	1
Support Staff:	9

Placentia Campus is expected to benefit from its proximity to Inco's proposed new hydromet processing facility. This \$130-million project will test the use of hydromet technology to extract nickel from Voisey's Bay ore. The campus also has an international presence with a number of students from the State of Qatar in the Millwright program. Other programs offered include Business Studies, Heavy Equipment Service Technician, Machinist, and Welding.

## Port aux Basques Campus

Student enrolment:	213
Full-time:	202
Part-time:	11
Faculty:	9
Administration:	1
Support Staff:	7

Situated on the south west coast of the province, Port aux Basques Campus is home to the Non-Destructive Testing (NDT) Centre. As the only Practical Test Centre for re-certifying NDT professionals east of Montreal, the campus attracts clients from all across the country. Programs are also offered in Adult Basic Education, Business Studies, Programmer Analyst-Networking, and Welder/Fabricator.

## Prince Philip Drive Campus (St. John's)

Student enrolment:	2,507
Full-time:	1,932
Part-time:	575
Faculty:	142
Administration:	17
Support Staff:	110

Prince Philip Drive Campus houses the Manufacturing Centre, the Automotive Centre, the Graphic Arts Strategic Training Centre, and the School of Health Sciences. It also houses the largest student population, and has the second largest number of program offerings in the College system.

## Ridge Road Campus (St. John's)

Student enrolment:	1,099
Full-time:	935
Part-time:	164
Faculty:	79
Administration:	2
Support Staff:	26

Ridge Road Campus is the Engineering Technology Centre of the College. The campus also houses the College's Provincial Network Operations Centre, which manages the College's Wide Area Network.

## Seal Cove Campus

Student enrolment:	368
Full-time:	355
Part-time:	13
Faculty:	22
Administration:	1
Support Staff:	8

Both the Petroleum Specialty Centre and Electrical Training Centre are located at Seal Cove Campus. The campus serves the catchment areas of Paradise and Conception Bay (South, Centre, and North) with an aggregate population of approximately 30,000. The campus offers several other programs including Commercial Cooking and Adult Basic Education.

## St. Anthony Campus

Student enrolment:	118
Full-time:	92
Part-time:	26
Faculty:	4
Administration:	1
Support Staff:	6

Located on the tip of the Northern Peninsula, St. Anthony Campus serves a large geographic area. The four full-time programs offered at the campus – including Business and Office Administration – are in demand in the region providing training that reflects the labour market.

# College Highlights & Achievements

College of the North Atlantic wins the 2001 [Growth in Domestic/Export Markets Award](#) sponsored by the St. John's Board of Trade as a result of its \$500 million contract with the State of Qatar. CNA-Qatar is the College's first international campus.

The College and the Marine Institute host the [2002 Association of Canadian Community Colleges' \(ACCC\) annual conference](#) in St. John's from May 26-28.

College of the North Atlantic receives [\\$2.94 million from the Atlantic Canada Opportunities Agency \(ACOA\)](#) to purchase state-of-the-art equipment for new program offerings that will allow the College to keep pace with emerging demands for skilled labour in the marketplace.

The College officially opens the [Provincial Mining Technology Centre of Excellence](#) at its Labrador West Campus. The centre houses the three-year Mining and Mineral Processing Technician (Employee of the Future) program.

College of the North Atlantic and Dalhousie University's School of Occupational Therapy [sign a five-year articulation agreement](#). The agreement grants Occupational Therapist's Assistant program graduates, with an overall average of 80%, credit for three of the five full-time university credits required for entry into this highly regarded university program.

The College [signs an articulation agreement with Northwood University, Midland, Michigan](#). This agreement will allow graduates of the College's two-year diploma in Business Administration and three-year diploma in Business Management to transfer into Northwood's Bachelor of Business Administration degree in Management.

College of the North Atlantic [launches its Career Employment Services \(CES\) web-based system](#) at Ridge Road Campus. The CES system connects students and graduates with employers around the world. Students have access to job postings, employment program information, and helpful student success tips. Students can also place resumes and transcripts on the system to be viewed by prospective employers. Employers can also access the site to post employment opportunities for students and graduates.

The Canadian Red Cross, Newfoundland and Labrador Chapter, receives a [cheque for almost \\$6,000](#) during a ceremony at Bay St. George Campus in January 2002. The money was raised through a province-wide campaign carried out by College employees.



College wins St. John's Board of Trade Award for its \$500 million CNA-Qatar contract



ACOA grant used to purchase high tech equipment



Career Employment Services system launched from Ridge Road Campus



# Campus Highlights & Achievements

Happy Valley-Goose Bay Campus receives funding from ACOA to purchase a mechanical forest harvester simulator.

In February 2002, 13 students at the North West River/Sheshatshui Learning Centre (Happy Valley-Goose Bay Campus) start a 12-week Home Support Worker program delivered by the campus.

Corner Brook Campus receives \$3,125,000 from the Atlantic Innovation Fund administered by ACOA for the Geospatial Research Facility for Terrestrial Ecosystems. The new funding will allow the College to hire four research scientists, three technical support staff, and graduate students.

St. Anthony Campus pioneers real-time learning by offering a statistics course taught from Corner Brook, using the College's teleconferencing technology. Plans are also put in place to offer the First Year Engineering Technology program via video-conferencing to Port aux Basques in the fall of 2002.

Bay St. George Campus students and staff, and Stephenville area residents combine resources to assist stranded airline passengers following the tragic events of September 11. Based on friendships forged during their stay, four students and one faculty member are invited by Mexican delegates to attend the Fouet D'or International Culinary Competition at the Centro Cultural Mexiquense in Toluca, Mexico in April 2002.

Gander Campus becomes a haven for 440 airline passengers rerouted to the town following the events of September 11. As a sign of appreciation, passengers and companies donate \$16,000 to the campus to be used to establish a scholarship fund for Gander Campus students. The resulting scholarship is called the Air France Flight 004 Passenger Bursary.

Grand Falls-Windsor Campus is presented with a Laubach Literacy certificate of appreciation.

Baie Verte Campus successfully embarks upon a partnership with the Baie Verte Economic Development Association, Caboto Seafoods, the Random North Development Association, and the Emerald Zone Development Association to deliver one of five *Bridging the Gap* programs within the province. The 45-week program enables the campus to train eight students in seal utilization and workplace skills. Upon completion, Caboto has committed to hire the students on a full-time basis.

Clarenville and Bay St. George Campuses install an Open Learning Information Network (OLIN) funded Ca\*NET III facility, an advanced national optical research and development Internet system. Supported by CANARIE, Canada's advanced Internet development organization, the connection puts the College's campuses in touch with educational research initiatives in colleges and universities throughout the country.

Placentia Campus creates a Tutoring for Tuition program in partnership with the Avalon West School District, whereby student volunteers teach adult literacy in exchange for College tuition vouchers.

In June 2002, Placentia Campus receives 13 millwright students from the State of Qatar. In addition, the campus initiates a program

with SUN Microsystems to install 50 complete computer systems at the campus and a local high school.

Prince Philip Drive Campus celebrates the relocation of the Health Sciences programs from Topsail Road Campus to the newly completed Health Sciences wing and annex.

The campus also receives more than \$650,000 in ACOA funding for new equipment and software in its Graphic Design, and Graphic Production and Printing programs.

Topsail Road Campus officially closes its doors on May 2. A reunion is held to honour the more than 300 employees who had worked at the campus from 1975 to 2002.

Ridge Road Campus enrolls 17 Chinese students from Jilin University-Lambton College in the Electronics Engineering Technology program. Faculty are involved in a number of international projects in Qatar, China, Peru, India, Kazakhstan, and Lebanon, and hosts faculty and administration from these countries for training and cultural exchanges.

The campus also establishes a Siemens Programmable Logic Controllers Lab at the Engineering Technology Centre.

Carbonear Campus makes facility improvements in the bookstore, the student services department, and the library. The campus introduces Heritage Carpentry as a new program offering, starting in September 2002.



Funding announced for Geospatial Research Facility for Corner Brook Campus

# Faculty & Staff Highlights & Achievements

**Wayne Eastman**, an instructor at Corner Brook Campus, is elected as the national director for the Canadian Association for Young Children.

**Paul Halleran**, a Refrigeration and Air Conditioning instructor at Ridge Road Campus, is the recipient of the Board of Canadian Registered Safety Professionals Volunteer of the Year Award.

**Randy LeDrew**, an instructor in the Refrigeration and Air Conditioning program, achieves the highest mark in Canada on the Commercial Refrigeration Specialist Examination.

**Gerry Crewe**, Commercial Cooking (Advanced) instructor at Prince Philip Drive Campus, is named Atlantic Chef of the Year by the Canadian Federation of Chefs and Cooks at their Atlantic Conference on March 3.

**Dianne Whalen**, a word processing equipment operator at Ridge Road Campus, is elected to the Federation of Canadian Municipalities as Director, representing the Province of Newfoundland and Labrador.

**Barry Hicks**, an instructor at Carbonear Campus, is awarded \$4,114 from College of the North Atlantic's Technology Transfer Applied Research Department to purchase equipment to help with experiments involving biological controls.

**Paul Malott**, an English faculty member at Carbonear Campus, co-authors a text book for language arts that will be used in the Newfoundland and Labrador high school system beginning in the fall of 2002.

**Holly Morris**, an Information Technology instructor at Clarenville Campus, wins the 2002 Mac Turner Professional Development Award.

**Bill Day**, a computer support technician at Baie Verte Campus, is chosen as one of six national finalists in the ACCC's call for proposals for a national branding slogan.



Gerry Crewe is named Chef of the Year by the Canadian Federation of Chefs and Cooks

# Student Highlights & Achievements



Tourism student Betty Ann Kennedy was awarded the Fairfax Scholarship

Students [Michael Foley](#) and [Wayne Haynes](#) return victorious from the 8th National Skills Canada Competition in Vancouver, B.C., held from May 30 to June 2. Haynes came away with the Bronze medal for Refrigeration, and Foley with the Silver for Architectural Design.

College of the North Atlantic students come away with [13 gold medals](#) in the 5th Annual Provincial Skills Canada Competition that was held in May 2002. The students took part in 14 competition categories. They achieved a medal sweep, taking gold, silver, and bronze, in nine categories.

Twelve students and three staff from Bay St. George Campus participate in a [two-week leadership exchange program](#) in Ireland.

In June 2002, the first seven [Air France Flight 004 Passenger Bursaries](#) are presented to students at Gander Campus.

[Stanley Compton](#), a Level I ABE student at Grand Falls-Windsor Campus, is awarded the David E. Lawrence Memorial Award for Literacy.

[Ross Collier](#), [Everett Crewe](#), and [Mervin Langdon](#), students in the Fish and Wildlife program at Burin Campus, each receive a \$1,000 Centenary Scholarship.

For the second year in a row, students in the School of Health Sciences' Respiratory Therapy program achieve a [100 per cent pass rate](#) on the Canadian Board for Respiratory Care national certification examinations. The students also achieve the highest average marks of any school in Canada.

In November 2001, [Digital Animation students](#) at Bay St. George Campus become the first ever to complete Maya certification training while still in school. The students received three weeks of industry-standard certification in Maya Introduction, Maya Character Animation, and Maya for Games. The innovative 3-D animation graphics and visual effects software is used in many popular films and video games.

Conception Harbour native [Betty Ann Kennedy](#) a tourism student at Bay St. George Campus, is one of just 24 college students from across the country to be awarded a Fairfax Scholarship valued at \$3,500.

[Eric Hynes](#) of Stephenville, an apprenticeship student in the Commercial Cooking program at Bay St. George Campus, wins the provincial Skills Canada Culinary Arts competition held at the campus in April 2001.

The Canadian Institute of Forestry (CIF) presents [graduates from the Forest Resources Technician program](#) at Corner Brook Campus with silver rings. The rings, which were previously given only to forestry degree graduates, were specifically designed for the forestry diploma graduates.

[Mildred Williams](#), a graduate of the Northern Natural Resources Technician program at Happy Valley-Goose Bay Campus, is selected to participate in an Environmental Leadership program in Costa Rica.

[Bonnie Peyton](#), a graduate of the Office Administration program at St. Anthony Campus, is profiled in the new edition of the widely used textbook *Administrative Procedures for the Canadian Office*.



Eric Hynes wins the provincial Skills Canada Culinary Arts competition

# CNA-Qatar



In September 2001, College of the North Atlantic earned considerable recognition on the national and international education front by entering into the first contract of its kind in Canada. The selection of Canada as the preferred country with which to do business was facilitated by the Canadian Bureau of International Education (CBIE), a national non-governmental organization, with a membership consisting of over 200 educational institutions. The College won the competitive bid to establish a comprehensive technical college in Doha, the capital city of the State of Qatar in the Middle East. The new institution is now known as College of the North Atlantic-Qatar (CNA-Qatar).

The contract is the largest ever awarded to a Canadian educational institution, with a value in excess of \$US 500 million. Over the 10-year life of the project, College of the North Atlantic will provide academic and administrative leadership, personnel, curriculum, and credentials. The Qatar project is expected to create in excess of 2,000 person-years of employment.

As Jim Fox, President of CBIE, noted: "The size and scope of the contract, while monumental, pale in comparison to the impact of having Canadian college governance, administration, and curriculum set the standard for college education in the region."

The critical start-up phase of the CNA-Qatar project commenced in September 2001, with the official signing of the Comprehensive Agreement between the State of Qatar and College of the North Atlantic. Extensive internal and external staff recruitment campaigns were initiated. As of September 2002, CNA-Qatar employs over 55 people. By 2012, the number of CNA-Qatar employees is expected to exceed 300.

Inaugural CNA-Qatar classes began in September 2002, with enrollment numbers for the first year approaching 300 students. By 2012, it is expected that total student enrolment will exceed 3,000. Construction of a new, state-of-the-art campus is continuing.

Programs at CNA-Qatar use the same curriculum as College of the

North Atlantic in Newfoundland and Labrador. Wherever possible, programs will be accredited by the same agencies providing accreditation to the College in Newfoundland and Labrador. Credits awarded for course work at CNA-Qatar are transferable to other College of the North Atlantic programs and campuses in Newfoundland and Labrador, and to other post-secondary institutions, in accordance with the relevant articulation and transfer agreements.

The Academic Master Plan, which specifically reflects Qatari and international labour market demands, was developed collaboratively by the College and the State of Qatar, after extensive consultation with businesses and government ministries in that country. Program offerings include Engineering Technology, Office Administration and Business Administration, Information Communications Technology, and Health Sciences. CNA-Qatar is also engaged in comparative curricular analysis for a private Qatari training institution, and may assist with the design, implementation, and/or delivery of a Nursing program in September 2003.

## Qatar FYI

The State of Qatar is a progressive and peaceful nation located in the Middle East. A country rich in natural resources, Qatar is one of the largest exporters of natural gas in the world. The North Gas Field, discovered in 1971, is the largest single non-associated field in the world, with recoverable reserves of about 380 trillion cubic feet. The rise in oil and gas prices has significantly transformed the Qatari economy. In 2000, the net income of the State of Qatar was \$CDN 25 billion.

The Qatari government has implemented policies intended to diversify its economy and develop its economic structure by attracting foreign investment and trade. A democratization process has also set the stage for the participation of the Qatari people in





# Qatar Facts

**Official name:** State of Qatar

**Location:** Middle East, a peninsula bordering Saudi Arabia to the south and jutting out into the Persian Gulf

**Area:** 11,437 sq km

**Capital:** Doha

**Climate:** desert climate characterized by hot humid summers and semi-dry short winters with light and infrequent rainfalls

**Terrain:** mostly flat and barren desert covered with loose sand and gravel

**Government type:** traditional monarchy; emirate

**Head of State:** Emir His Highness Sheikh Hamad Bin Khalifa Al-Thani (since June 27, 1995)

**Prime Minister:** His Highness Sheikh Abdullah bin Khalifa Al-Thani

**Foreign Minister:** His Excellency Sheikh Hamad bin Jassem bin Jaber Al-Thani

**Parliamentary Institutions:** Appointed Advisory Council (35 members)

**Population:** 522,023 (1997)

**Population growth rate:** 3.18% (2001 est.)

**Nationality:** noun: Qatari (s); adjective: Qatari

**Ethnic groups:** Arab 40%, Pakistani 18%, Indian 18%, Iranian 10%, Other 14%

**Religions:** Islam is the official religion of the country and Shari'a (Islamic law) is the principal source of legislation

**Languages:** Arabic (official), English commonly used as a second language

**GDP per capita:** \$20,300 U.S. (2000 est.)

**Currency:** Qatari Riyals (QR), one Canadian dollar equals 2.4 QRs

national decision-making processes. The State of Qatar has worked tirelessly to establish world-class health care and educational facilities for the benefit of its citizens.

The health care system in Qatar is not unlike that in Canada. A wide range of services, from preliminary care through to specialist treatment, is free-of-charge to Qatari nationals. The Ministry of Health is charged with providing health services in all fields of specialization, the management of its hospitals and health centres, and management of medical certification.

The State of Qatar provides all Qatari citizens with a variety of educational opportunities, including general and specialized post-secondary studies. Specialty education programs are available in the areas of adult education and literacy, and there are special programs for the physically and mentally challenged. The State provides textbooks, stationery, transportation, sports clothes, and equipment for students at all levels. It also offers financial support to Qatari students.

The first University in Qatar opened in 1973, and was recognized as a full-fledged university in 1977. In 2001, New York's Cornell University and a private Qatari foundation established by the Emir, founded the Weill Cornell Medical College. The medical college will provide Qatari nationals and other international students with an opportunity to obtain Cornell medical degrees while studying in Qatar. The first intake of students commenced in September 2002. Virginia Commonwealth University, of Richmond, Virginia, has also established the VCU-Qatar College of Design Arts. The design college, which opened in 1998, prepares Qatari students in Qatar for employment in a number of design fields.

# Distributed Learning

College of the North Atlantic continues to aggressively fulfill its accessibility mandate. The College's Distributed Learning Service (DLS) is a vital, if not indispensable, service in this regard. DLS enrolment continues to grow at a rate of about 50% each year. (DLS Annual Course Registration) In fact, DLS experienced phenomenal growth in 2001-02, with a total of 2,649 course enrolments. Students from more than 250 Newfoundland and Labrador communities (and from every other Canadian province) participated in distance learning with CNA in 2002. DLS continues to provide accessibility to post-secondary education for students. There are now more than 200 web-based courses available or in the development stages.

Increased distributed learning course enrolment is a positive indicator for College of the North Atlantic. With an estimated 4,000 students (400 full-time equivalents) expected to avail of distributed learning opportunities in 2002-03, DLS activity will rival that of a medium-sized campus.

In order to meet enrolment demands, the College intends to establish DLS as a virtual campus – a campus capable of holistically serving the needs of its distance learners. By acting as an extension of the College's physical campuses, the virtual campus, with its distributed learning enrolment, will maintain the viability of low enrolment courses and programs. DLS will also be well positioned to purchase instructional services from each campus, providing and enhancing employment stability for campus-based faculty. DLS's web-based service capabilities will also continue to set the standard for conventional student services.

With increased enrolment comes the responsibility of maintaining student services and student confidence. In conjunction with the School of Health Sciences, DLS piloted an online student survey in the fall of 2001. The survey was fully implemented in all distributed learning courses in the winter 2002 semester. Results from the survey indicate very high levels of satisfaction, with 80% of respondents indicating their overall satisfaction with their online course, and with 75% indicating that they would recommend their course to a friend. Seventy-six per cent of respondents said their distributed learning course met or exceeded their expectations. The College has established a faculty advisory committee in order to receive feedback and advice on ways to improve teaching and learning in an online environment. The committee has faculty representatives from throughout the College.

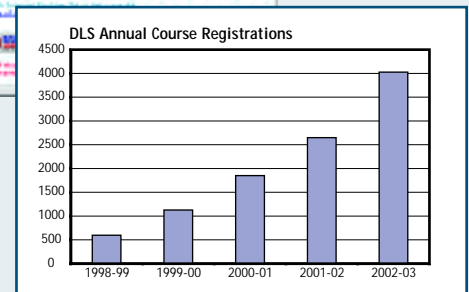
Besides providing increased accessibility to students, the College has been awarded several contracts to develop online courses and/or to provide services for private sector and international clients. With more than 20 projects throughout the world in countries like Benin, West Africa, and international organizations such as the World Bank and the Commonwealth of Learning, the College is receiving international recognition as a leader in distance education. The College will continue to reinvest revenue generated from contracts to staff its help desk service to students.

The College's DLS has received many awards and recognitions. It is the holder of the only WebCT Institute certification in Atlantic

Canada, and one of only six in the country (it is the only Canadian college holding this distinguished status). Last year, Normal Functional Movement, a course offered in the distance learning program Occupational Therapist's Assistant/Physiotherapist's Assistant, received the international WebCT Exemplary Course Award. DLS was also recognized with the Canadian Association for Distance Education's Award of Excellence, and one of the contract courses developed for Pearson Educational Publishing was formally recognized for its quality. Another sign of DLS excellence is that many courses are eligible for direct transfer of credit to Memorial University, the Marine Institute, Dalhousie University, and other institutions.

In addition to excellence in Internet-based learning, the College has made significant inroads in the use of video conferencing technology as another e-learning delivery mode. Until recently, the College had primarily employed its video conferencing capabilities for administrative purposes, however there are a number of new academic initiatives underway that will make use of this technology. One such initiative in 2002 involved the delivery of a statistics course from St. Anthony Campus, in real-time via the video-conferencing network, to students in Corner Brook. Plans are also in place to offer the First Year Engineering Technology program between St. Anthony and Port aux Basques campuses. Preliminary feedback from instructors and students has been positive.

The College is considered a leader in distance education. It is imperative that the College maintains and accelerates its momentum in developing and redeveloping online courses and programs in order to maintain its status as a leader in this area. The College will continue to invest in this service.



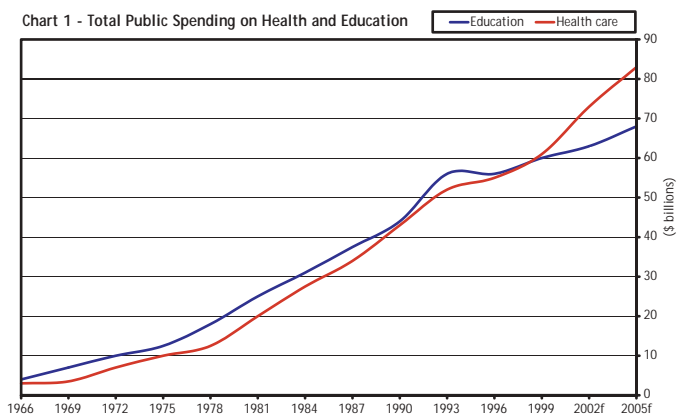
# Revenue Analysis

In 2001, the Conference Board of Canada (CBOC) released *Performance and Potential, 2001-2002 (Performance)*, its annual report on Canada's performance in a number of key public policy areas, including education. In *Performance*, the CBOC notes that the health care and education sectors have been forced to compete against each other for increasingly scarce public sector funds – and that the education sector is clearly losing the competition. Nationally, health care spending has increased by 59%, while education spending increased by only 22% over the past three years. *Performance* explains: "Public spending on health care is now about \$8 billion higher than spending on education. It was equal just four years ago, and the gap will widen." (Chart 1 - Total Public Spending on Health and Education) CBOC's just released long-term national economic forecast, entitled *Vertical Fiscal Imbalance*, reinforces CBOC's 2001 forecast. The report predicts that nationally, public health care expenditures will increase from 32.4% in 2000-01 to 44.8% in 2019-20. At the same time, education expenditures are predicted to decline from their current levels of 19.5% to 18.8% over the same period.

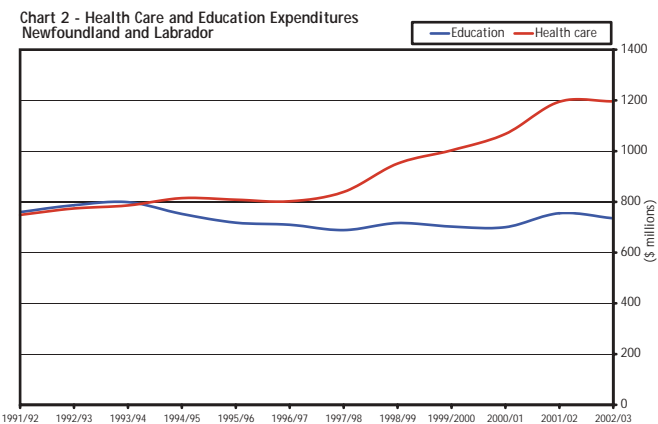
An analysis of public sector spending in Newfoundland and Labrador yields results that are quite similar to those in CBOC's national studies. As recently as 1993-94, spending on education and health care in this province was virtually identical. (Chart 2 - Health Care and Education Expenditures - Newfoundland and Labrador) Since 1993-94 however, spending on education has declined from 22.47% of the provincial government's total expenditures to its current level of 16.94%. At the same time, health care spending has increased from its 1993-94 levels of 22.1% of the provincial government's total expenditures, to their current levels of 27.56%. (Chart 4 - Education, Health Care Expenditures as a Share of Newfoundland and Labrador's Total Expenditures)

As provincial governments, including the Government of Newfoundland and Labrador, struggle to strike a balance between competing demands for increasingly scarce resources, the provinces' educational institutions, including public colleges and universities, are left with few alternatives. Publicly funded educational institutions, especially publicly funded post-secondary educational institutions, must find ways of financing learning opportunities to the public in an environment of diminishing government support. College of the North Atlantic is no exception.

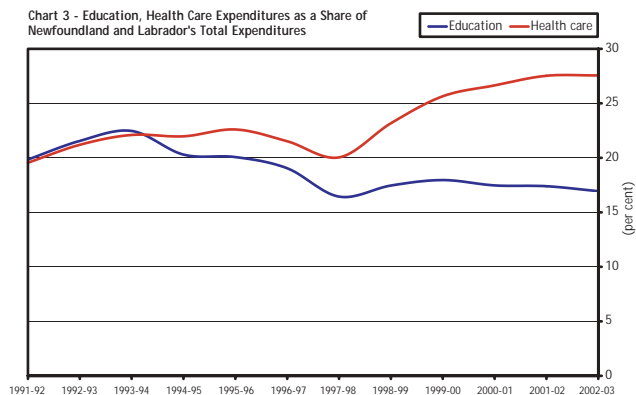
In many jurisdictions, universities, colleges, and other similar institutions have responded to the challenge by making extremely difficult decisions. In some cases they have increased tuition fees, and in others they have searched for other more non-traditional sources of revenue. Often they have reluctantly settled for a combination of both. College of the North Atlantic has, in collaboration with its provincial government, avoided increasing tuition fees. In fact, in 1998, as part of its mandate to maintain and increase accessibility, the College implemented a voluntary tuition freeze. As a result of that tuition freeze, College of the North Atlantic students now enjoy one of the lowest tuition fees in the country. According to research conducted by the Canada Millennium



Source: Conference Board of Canada

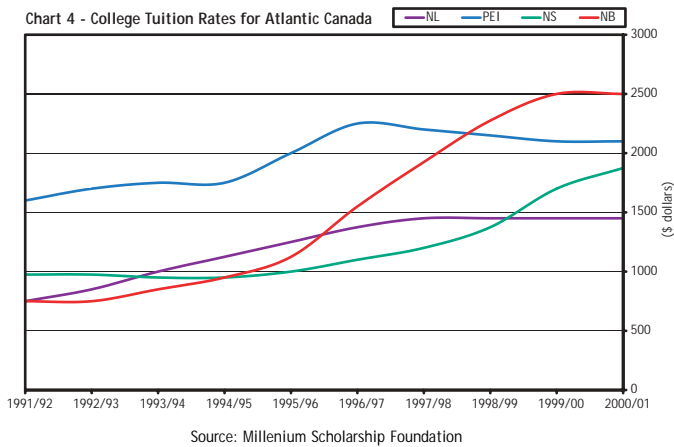


Source: Government of Newfoundland & Labrador



Source: Government of Newfoundland & Labrador

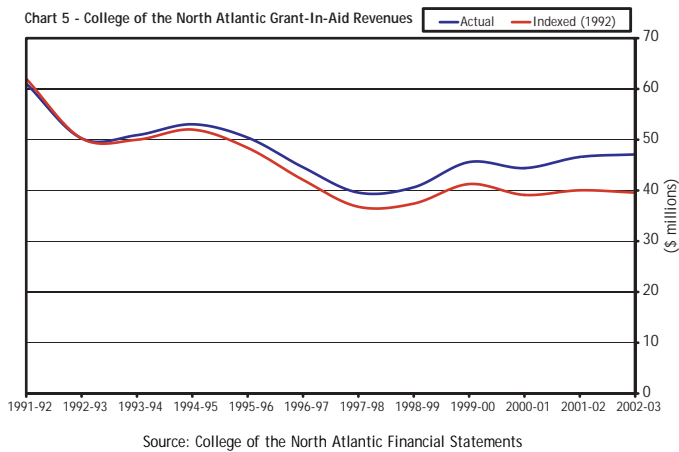
# Revenue Analysis



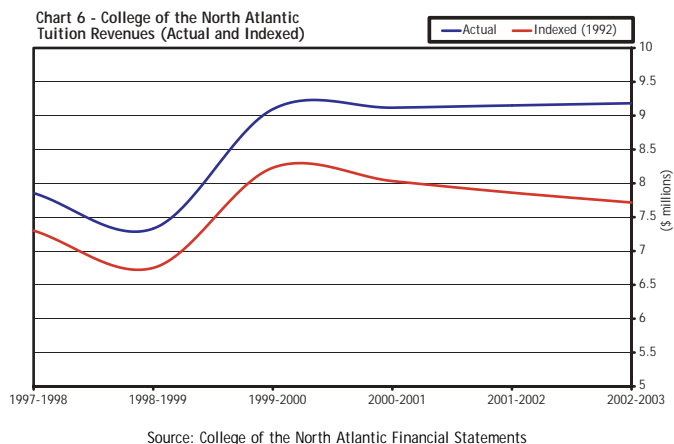
Scholarship Foundation in 2002, College of the North Atlantic's tuition is the lowest in the Atlantic Provinces. (Chart 4 – College Tuition Rates for Atlantic Canada)

College of the North Atlantic has therefore been compelled to invest significant energies and resources in the generation of revenue from alternative sources. Today, a significant portion of the College's revenue is derived from non-grant-in-aid sources, such as community, corporate and international training initiatives. While some of these activities have produced tangible benefits, especially in the international arena, they continue to produce marginal net revenue gains for the College.

An analysis of provincial grant contributions (direct subsidies) to the Newfoundland and Labrador public college system since the 1992-93 fiscal year, reveals that the grant peaked in 1994-95 at \$53 million, declined sharply to \$39.6 million in 1997-98 when the five former regional colleges were amalgamated, and then increased steadily to the current allocation of \$47.1 million under the one-college system. However, when the grant is indexed to inflation a slightly different picture emerges. The peak 1994-95 indexed grant of \$52 million (1992 dollars) declines to \$36.8 million in 1997-98 (1992 dollars) when the five former regional colleges are amalgamated. The figure increases modestly over the next two years to approximately \$40 million, and then remains relatively constant the last three years. (Chart 5 - College of the North Atlantic Grant-In-Aid Revenues)



Tuition fees have remained frozen since 1998. The revenue implications are such that the College has managed to realize modest growth (in real dollars), due to relatively stable enrolment growth, from a low of \$7.33 million in 1998-99, to its current level of \$9.15 million. However, when tuition revenues are indexed to inflation, there is a marked decline in the tuition revenue. Indexed tuition revenue peaks in 1999-2000 at \$8.23 million (1992 dollars), and then declines steadily over the next two years to \$7.71 (1992 dollars). (Chart 6 - College of the North Atlantic Tuition Revenues)



Revenues from all other sources, including retail (bookstore sales, community, corporate and international contract training, amongst others), has increased over the past four years. In 1998-99 revenues from all other sources amounted to \$29.2 million, rising to \$32.9 in 2001-02. However, as a percentage of total revenues, revenues from all other sources remained relatively constant in the 35–38% range.



# Expenditures Analysis

In a pattern that roughly parallels year-to-year changes in College revenues, total College expenditures have fluctuated over the past eight years. Total expenditures reached a high of \$97.2 million in 1995-96, a low of \$72.6 million in 1997-98, and have increased steadily since to their current levels of \$91.2 million. (Chart 7 - College of the North Atlantic Total Expenditures)

The single largest expenditure item for the College is salaries and related benefits. In 1995-96 this peaked at \$64.9 million. Salaries and related benefits then dropped after amalgamation to a low of \$51.6 million in 1997-98, and have, like total expenditures, increased steadily since to their current levels of \$63.5 million. (Chart 8 - College of the North Atlantic Salaries and Benefits)

While the increase in salaries and benefits appears significant in terms of actual dollar values, there is actually very little change in terms of percentage of total expenditures. In fact, since 1996-97, when salaries and related benefits accounted for 72.2% of the College's total expenditures, salaries and related benefits expenditures have remained relatively stable, accounting for approximately 69% of total expenditures. (Chart 9 - College of the North Atlantic Salaries and Benefits as a Portion of Total Expenditures)

Salary expenditure increases can be attributed to three primary variables: negotiated wage settlements with bargaining unit employees; an increase in the number of employees earning above the mid-point in their respective salary ranges; and an increase in College activity.

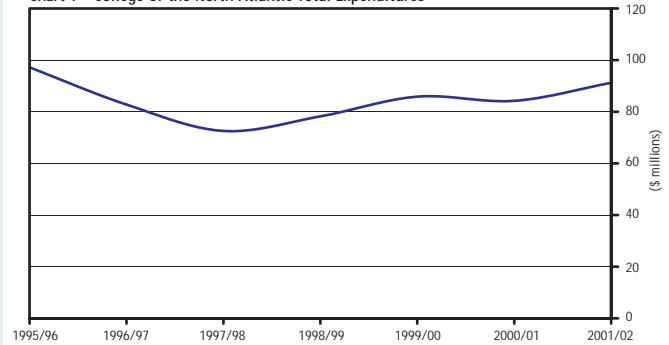
For the past three years, College of the North Atlantic has, in co-operation with the Association of Canadian Community Colleges (ACCC), participated in the Financial and Resource Allocation Benchmarking studies being conducted by the national consulting firm KPMG. The last study, conducted in 2001, involved the comparison of 15 colleges located in seven provinces.

The purpose of the study is to provide the participant colleges with an opportunity to benchmark their own financial expenditures, and to compare these with those of other colleges. In this context, colleges are very different and comparisons can often be quite difficult. There are a number of internal and external variables that determine why one college invests more money in one area and spends more in another. Geography, labour market conditions, and government funding supports are just a few factors that will impact upon resource allocations.

For College of the North Atlantic, with more campuses than any other college, provincial demography and other geographical limitations make it very difficult to carry out valid comparisons. Nonetheless, Nova Scotia Community College (NSCC), a KPMG study participant, does have a number of similarities with College of the North Atlantic. Its program offerings, administrative structure, and large number of campuses spread out over a fairly large region allow for some meaningful comparisons.

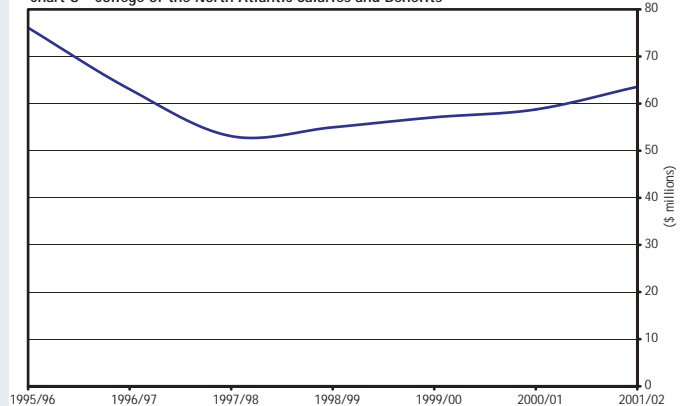
In the 2000 study, the College's expenditures, in all categories, were within reasonable range of KPMG's median scores. In 2000, the College expended 43.4% of its budget on instructional personnel, while the national median was 42%. The College's management

Chart 7 - College of the North Atlantic Total Expenditures



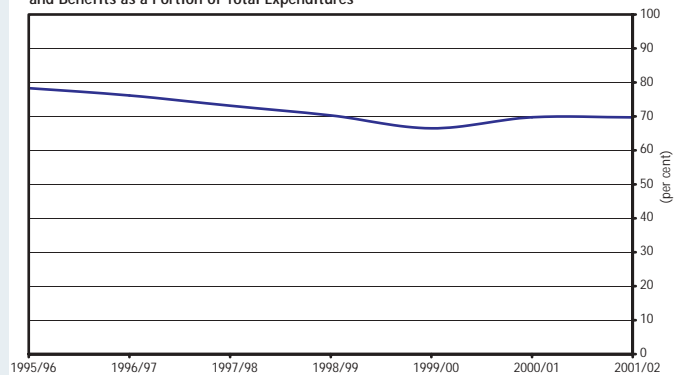
Source: College of the North Atlantic Financial Statements

Chart 8 - College of the North Atlantic Salaries and Benefits



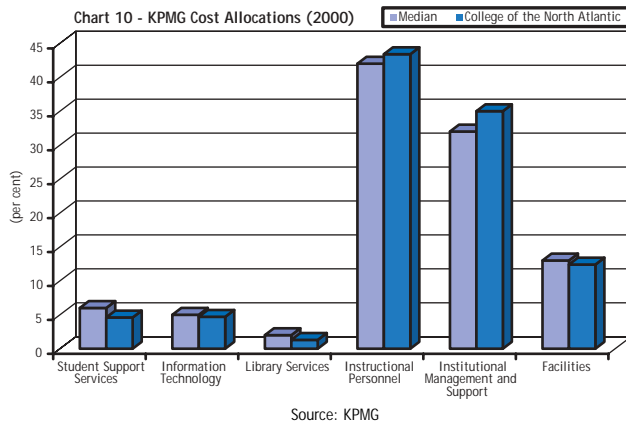
Source: College of the North Atlantic Financial Statements

Chart 9 - College of the North Atlantic Salaries and Benefits as a Portion of Total Expenditures



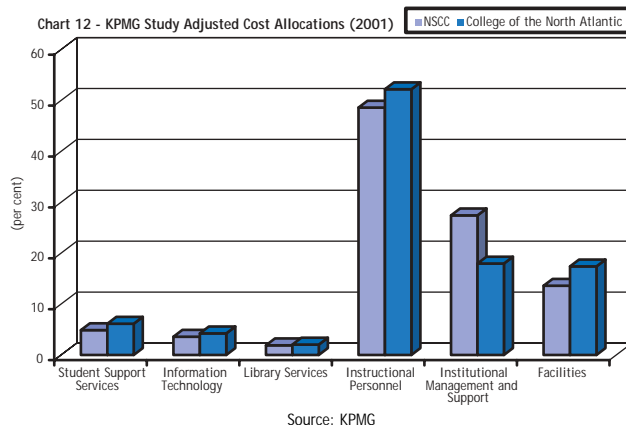
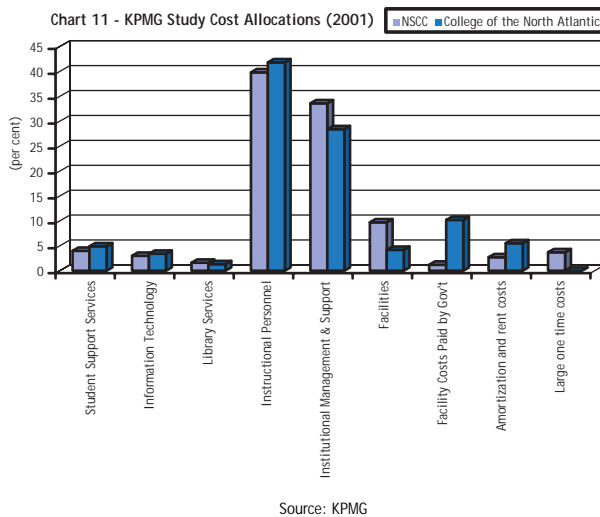
Source: College of the North Atlantic Financial Statements

# Expenditures Analysis



and administrative support expenditures were 35% of its budget, while the national median was 32%. (Chart 10 - KPMG Cost Allocations (2000))

When compared to NSCC, the College's expenditures, again, appear to be similar. In 2001, the College expended 41.8% of its budget on instructional personnel, while NSCC expended 39.8%. Similarly, the College expended 28.4% of its budget on management and administrative support, while NSCC expended 33.6% on the same. (Chart 11 - KPMG Study Cost Allocations (2001)) When facility, ancillary, and contracted services costs and large, one-time expenditures are excluded, the colleges' expenditure levels change. In this case, the College's instructional personnel expenditures increase to 52.2% of total operating costs, while NSCC's increases to 48.77%. Similarly, the College's management and support costs increase to 37.4%, while NSCC's increases to 35.4%. (Chart 12 - KPMG Study Adjusted Cost Allocations (2001))



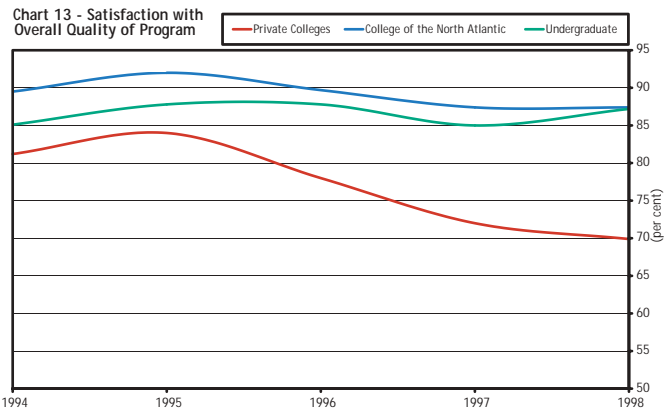
# Performance Indicators

The Department of Youth Services and Post-Secondary Education's report *Career Search 2001, Employment Experience and Earnings of 1998 Graduates (Career Search)*, released in May 2001, tracks the employment experiences of 1998 graduates from all the post-secondary institutions in Newfoundland and Labrador. In the study, the Department reviews graduate employment rates, salaries, the relationship between jobs and training, out-migration, program satisfaction, job search length, and various student loan matters.

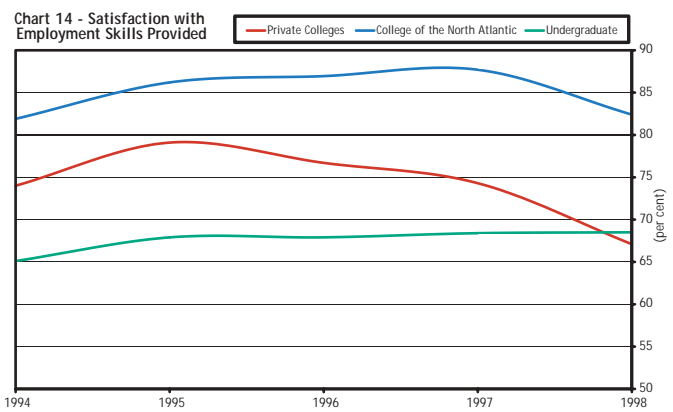
*Career Search* confirms a high rate of employment for College of the North Atlantic graduates, indicating the majority of graduates are earning reasonable salaries, and working in jobs related to their fields of study. Statistics for the three-year programs are particularly impressive, with half of the graduates earning more than \$560 per week. In fact, graduates of the College's three-year diploma programs have employment earnings comparable to those of undergraduate university degree graduates. The full-time employment rate for graduates of the College's two-year programs was higher than the rate for similar two-year private college programs. Over 80% of graduates from the College's one, two, and three year program's found employment within three months of graduation.

*Career Search* also confirms high levels of graduate satisfaction. Some 87% of the College's graduates are very satisfied with the investment of time into their program, and approximately 80% are satisfied with their financial investment. Similarly, College of the North Atlantic graduates reported high levels of satisfaction (75.3%) with the overall cost of their completed program. In terms of satisfaction with the overall quality of the programs, the College's graduates report high levels of satisfaction. Over a five-year period from 1994 to 1998, the satisfaction rate for College graduates (89.2%) compares favorably with those of the private colleges (77.02%) and undergraduates (86.3). (Charts 13, 14, 15 – Graduate Satisfaction)

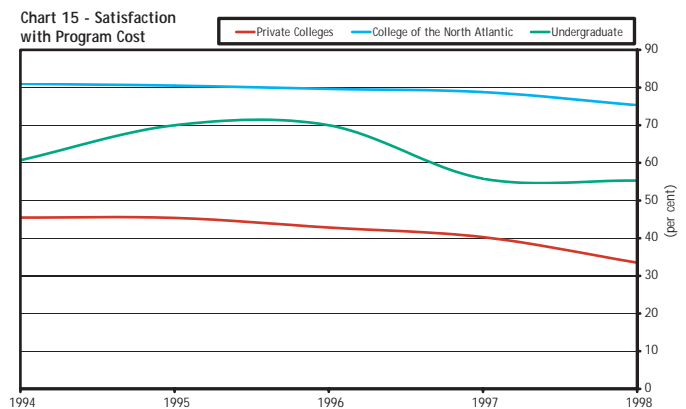
Perhaps most importantly, *Career Search* confirms that almost half of all of the College's graduates completed their education without any debt. Data from the Newfoundland Student Borrower's Default Rates study (delinquent 12 months or more), obtained from the Department's Student Aid Division, indicates the college's rate (13.75%) is below the provincial average (18.73%), and significantly below that of private colleges (28.20%).



Source: Government of Newfoundland & Labrador



Source: Government of Newfoundland & Labrador



Source: Government of Newfoundland & Labrador

# Challenges

Notwithstanding the many recent successes of the College and the remarkable individual achievements of various management, faculty, staff, and students, the College is keenly aware that there are a number of significant challenges on the horizon.

Like all other Canadian colleges, College of the North Atlantic has been challenged to respond to the highly publicized national “skills-shortage”. The Conference Board of Canada notes: “Over the next 20 years, Canada will be faced with an increasing labour shortage, which will undermine our ability to sustain economic growth, and will lead to increases in labour costs, and a greater reliance on machines to get the work done. The dimensions of the problem are enormous, and a growing difficulty in hiring or retaining existing employees will dramatically alter the structure of Canadian labour markets.”

The Province of Newfoundland and Labrador continues to lead the country in GDP growth, and the demand for skilled workers will continue to increase in this province as well. Responding to the changes in the labour market presents a number challenges for the College. The College clearly must improve its ability to access funding through the labour market agreements designed to support workforce training and development. The College must also work diligently with employers to raise awareness of their need to invest and reinvest in workforce training.

In order for the College to respond to the new labour market demands, especially through the provision of new programs, it will be called upon to invest more of its revenues into the area of new program development – whether for new equipment, new construction and infrastructure upgrades, or employee recruitment and professional development.

Another related challenge is that the growth in the labour market tends to favour Newfoundland’s urban economies. The challenge, in this context, is to provide a meaningful response to these new labour market demands without endangering the College and province’s commitment to improving the province’s rural economy.

The College is increasingly mindful of the quality of its physical infrastructure. Eleven of the College’s buildings will be 40 years old in 2005. Another nine buildings will be at least 30 years old in 2004. (Chart 16 – Number of Buildings by Year of Construction) These buildings require significant infusions of capital for essential maintenance and repairs. In some instances, building envelopes are in an advanced state of disrepair, and can no longer be maintained in their present state. The College has estimated the total replacement cost of the buildings it currently occupies to be approximately \$237,099,700.

Required expansions to existing facilities (\$15,420,000), renovations to existing facilities (\$1,141,000), and building accessibility improvements (\$360,000) carry hefty price tags, further exacerbating the College’s capital challenges. Replacing capital equipment, such as classroom furnishings, replacing computers, and laboratory and shop equipment, is estimated to cost between \$4 and \$5 million annually. Air quality improvements are required in a number of facilities (\$1,365,000). In addition to growing concerns

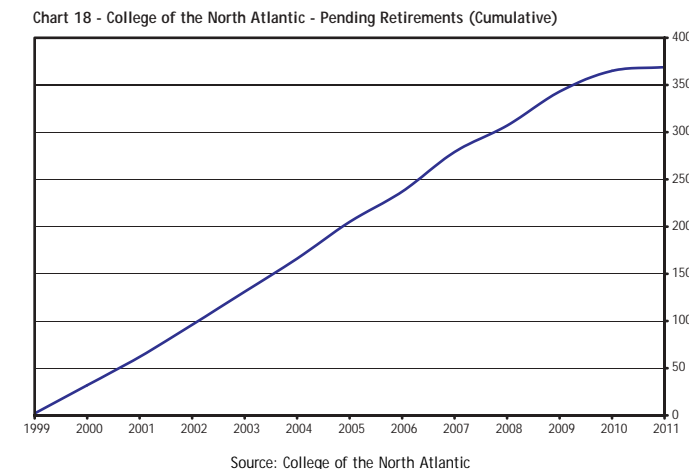
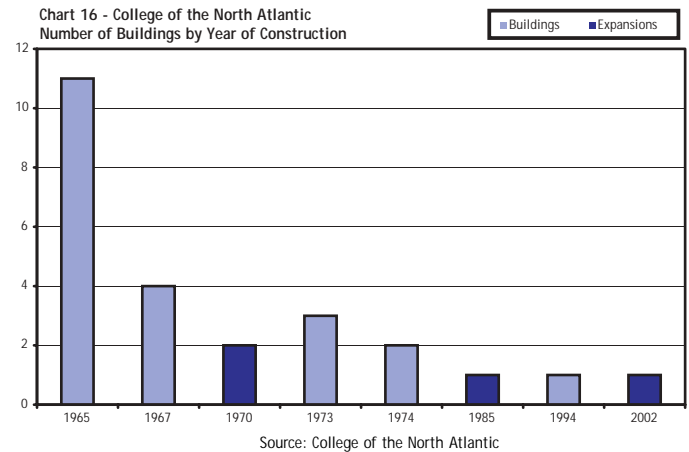
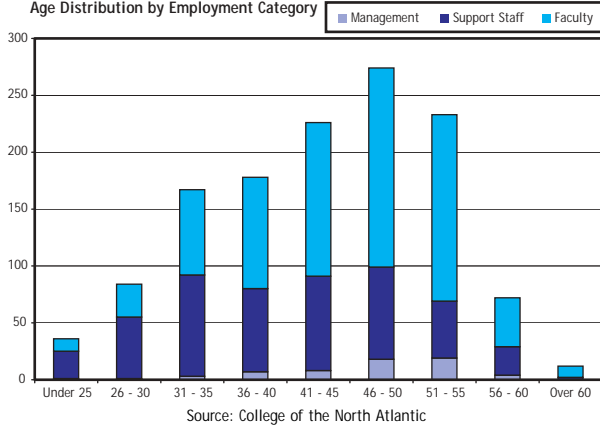




Chart 19 - College of the North Atlantic Employee Age Distribution by Employment Category



about the quality of the work and learning environments, poor air quality inhibits the College's ability to operate effectively in the warmer months of the year, and it taxes the College's information technology infrastructure.

The College also faces significant challenges on the human resources side of its operations. A basic issue faced by the College is that of management salaries. It is increasingly difficult to recruit College faculty and support staff into management positions. Currently, a move to management results in additional workloads and a net loss, in some cases, or nominal increase in salary. Another compensation challenge is the level of faculty salaries under the current faculty classification system. In many instances, trades instructors are capable of earning two and three times their instructional salaries while working in their designated trades.

The College continues to witness a decline in the number of applicants for many of its competitions, especially at the management and senior staff levels. This is especially true where specialized knowledge is required, for example, chemical engineering. Alternatively, there is an increasing trend where the majority of applicants are clearly unqualified. In the past year, the College has experienced an increasing number of positions that have been declared hard-to-fill because candidates have declined offers due to relocation compensation issues.

The College has a large number of employees eligible to retire in each of the next 10 years. A total of 174 employees (approximately 17% of the College's permanent, full-time workforce) are eligible to retire within the next four years. Most of these employees are faculty. Of the total, 17 are management, or 30% of the College's existing management pool. (Chart 17 – Pending Retirements by Year of Retirement, and Chart 18 – Pending Retirements Cumulative)

Over the past several years, approximately 35 employees per year have been eligible to retire each year, but only 17 people per year, on average, have actually retired. If that trend continues, there will be a bubble of employees in the College's workforce who will be able to retire, in addition to those who have become newly eligible to do so. An age analysis of the College's employees would suggest this trend will continue for the foreseeable future. (Chart 19 – Employee Age Distribution by Employment Category)

The province's changing demographics also presents a number of challenges for the College from a student recruitment perspective. In the coming years, the number of direct entry high school students will decline significantly. (Chart 20 – Newfoundland and Labrador K-12 Enrolment)

As the province's population continues to age, there will be an increased need to offer curriculum, and modes of curriculum delivery, that are better suited to older learners – learners who are returning to study full-time at the College after being in the workforce, and learners who want to study part-time while maintaining their presence in the workforce. (Chart 21 – Newfoundland and Labrador Population Trends)

Chart 20 - Newfoundland and Labrador K-12 Enrolment

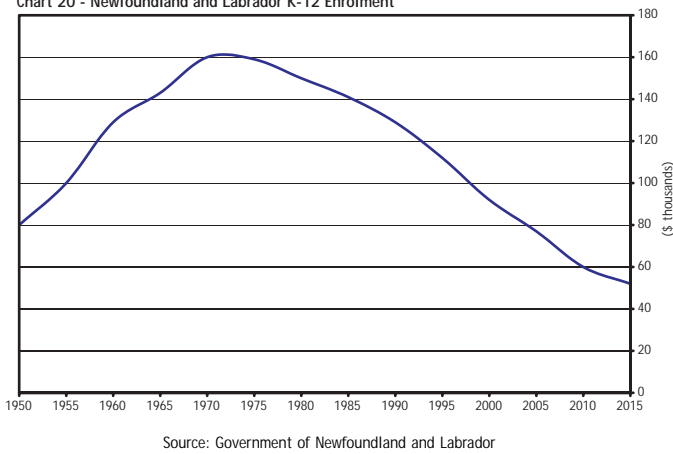
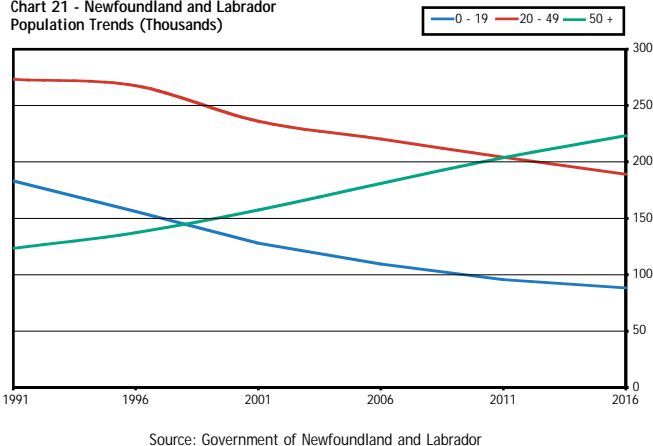


Chart 21 - Newfoundland and Labrador Population Trends (Thousands)



# Auditors' Report



To the Board of Directors of College of the North Atlantic,

We have audited the statement of financial position of the College of the North Atlantic as at March 31, 2002 and the statements of changes in net assets, operations, and cash flow for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2002, and the results of its operations and the changes in net assets and cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

A handwritten signature in blue ink that reads 'Walter Hoffe'. The signature is written in a cursive, flowing style.

Chartered Accountants

Gander, Newfoundland  
August 6, 2002

# Statement of Financial Position

March 31, 2002

	<u>2002</u>	<u>2001</u>
<b>Assets</b>		
Current assets		
Cash	\$ 208,627	\$ 2,313,956
Receivables – Note 2	9,425,983	9,437,378
Inventory	635,488	736,632
Prepaid expenses	<u>899,943</u>	<u>563,825</u>
Total current assets	<u>11,170,041</u>	<u>13,051,791</u>
Capital assets – Note 3	9,832,236	10,300,806
Trust accounts – Note 4	388,706	376,478
	<u>\$ 21,390,983</u>	<u>\$ 23,729,075</u>
<b>Liabilities and Equity</b>		
Current Liabilities		
Payables and accruals	\$ 6,229,435	\$ 6,214,222
Deferred revenue	4,222,153	3,899,156
Due to Centre for Forest and Environmental Studies – Note 8		38,610
Due to 10952 Newfoundland Inc. – Note 9		8,224
Unexpended capital grant	2,885	17,378
Accrued vacation – management	972,241	794,458
Accrued vacation – other	3,559,107	3,349,179
Current portion of severance	<u>1,000,000</u>	<u>1,000,000</u>
Total current liabilities	<u>15,985,821</u>	<u>15,321,227</u>
Trust and scholarship accounts – Note 4	396,982	383,078
Deferred capital contributions – Note 5	3,073,815	3,372,746
Accrued severance pay	<u>8,218,087</u>	<u>7,256,359</u>
	27,674,705	26,333,410
Net surplus (deficit), per accompanying statement	<u>(6,283,722)</u>	<u>(2,604,335)</u>
	<u>\$ 21,390,983</u>	<u>\$ 23,729,075</u>

See accompanying notes.

# Statement of Changes in Net Assets

Year Ended March 31, 2002

	<u>Operating</u>	<u>Capital Assets</u>	<u>Severance and Annual Leave</u>	<u>2002 Total</u>	<u>2001 Total</u>
Balance, beginning					
As previously stated	\$ 2,073,142	\$ 16,266,606	\$ (11,605,538)	\$ 6,734,210	\$ 4,923,232
Prior year's adjustment – Note 11		<u>(9,338,545)</u>		<u>(9,338,545)</u>	<u>(9,391,562)</u>
Balance, as restated	2,073,142	6,928,061	(11,605,538)	(2,604,335)	(4,468,330)
Capital purchases from operating funds	(4,137,892)	4,137,892			
Amortization of capital assets	4,826,937	(4,826,937)			
Amortization of deferred capital contributions to income	(763,348)	763,348			
Net book value of assets disposed during the year	243,943	(243,943)			
Surplus (deficit) of revenue over expenditure per accompanying statement	<u>(2,507,731)</u>		<u>(1,171,656)</u>	<u>(3,679,387)</u>	<u>1,863,995</u>
Balance, ending	<u>\$ (264,949)</u>	<u>\$ 6,758,421</u>	<u>\$ (12,777,194)</u>	<u>\$ (6,283,722)</u>	<u>\$ (2,604,335)</u>

See accompanying notes.



# Statement of Operations

Year Ended March 31, 2002

	<u>2002</u>	<u>2001</u>
Revenue – Schedule 1		
Grant-in-aid	\$ 46,602,831	\$ 44,414,800
Facilities	6,614	6,598
Administration	927,163	1,386,331
Instructional	19,895,038	20,968,205
Student services	658,553	605,437
Resale	4,347,056	4,283,010
Apprenticeship	2,144,232	1,990,086
Contract/community education	9,439,565	9,759,758
International	699,329	382,636
Special projects	<u>3,978,226</u>	<u>2,887,444</u>
Total Revenue	<u>88,698,607</u>	<u>86,684,305</u>
Expenditure – Schedules 2 to 12		
Facilities	4,830,743	4,392,396
Administration	14,950,638	14,213,605
Instructional	40,459,816	37,658,922
Student services	5,996,282	5,533,100
Information technology	3,503,031	3,053,870
Resale	5,004,677	4,766,652
Apprenticeship	1,740,580	1,575,836
Contract/community education	10,221,186	9,540,336
International	885,596	532,375
Special projects	<u>3,613,789</u>	<u>2,970,992</u>
Total expenditure	<u>91,206,338</u>	<u>84,238,084</u>
Surplus (deficit) before unfunded adjustments	(2,507,731)	2,446,221
Unfunded adjustments:		
Severance	(951,274)	(350,295)
Vacation pay	<u>(220,382)</u>	<u>(231,931)</u>
Total unfunded adjustments	<u>(1,171,656)</u>	<u>(582,226)</u>
Surplus (deficit) of revenue over expenditures	<u>\$ (3,679,387)</u>	<u>\$ 1,863,995</u>

See accompanying notes.

# Statement of Cash Flow

Year Ended March 31, 2002

	<u>2002</u>	<u>2001</u>
Cash flows:		
Surplus (deficit) or revenue over expenditure	\$ (3,679,387)	\$ 1,863,995
Add items of a non-cash nature:		
Loss of assets	114,110	
Loss on disposal of capital assets	59,549	
Amortization	<u>4,826,937</u>	<u>4,324,636</u>
	1,321,209	6,188,631
Changes in:		
Current assets	(223,579)	(3,899,839)
Trust accounts	1,676	(5,285)
Current liabilities	664,594	1,778,828
Accrued severance	<u>961,728</u>	<u>350,296</u>
	<u>2,725,628</u>	<u>4,412,631</u>
Financing:		
Change in deferred capital contributions	<u>(298,931)</u>	<u>30,526</u>
Investing:		
Proceeds from sale of assets	70,284	
Additions to capital assets	<u>(4,602,310)</u>	<u>(5,098,489)</u>
	<u>(4,532,026)</u>	<u>(5,098,489)</u>
Net increase (decrease) in cash	(2,105,329)	(655,332)
Cash, beginning	<u>2,313,956</u>	<u>2,969,288</u>
Cash, ending	<u>\$ 208,627</u>	<u>\$ 2,313,956</u>

See accompanying notes.

# Notes to the Financial Statements

Year Ended March 31, 2002

## Authority and Purpose

The College of the North Atlantic (the College) operates under the authority of the College Act, 1996, Province of Newfoundland and Labrador. In accordance with Section 6 of the College Act, 1996, the College is a statutory crown corporation and as such is not subject to either Federal or Provincial income taxes and is exempt from Municipal taxes. The College is Newfoundland and Labrador's public college. The College is committed to providing accessible, responsive, quality learning opportunities which prepare people to become self-sufficient contributors to social and economic development both in a provincial and global context.

## 1. Significant accounting policies:

The financial statements of the College have been prepared within the framework of Canadian generally accepted accounting principles which requires the use of estimates and assumptions that affect the amounts reported and disclosed in these statements and related notes. Any variations between these estimates and actual amounts are not expected to materially affect reported results. The more significant accounting policies of the College are as follows:

### (a) Revenue recognition

The College follows the deferral method of accounting for contributions which includes donations and government grants. Grants for expenditures of future periods are deferred and recognized as revenue in the year in which the related expenditures incurred. Grants for capital assets are deferred and recognized as revenue on the same basis as the acquired capital assets are amortized.

Revenue from contractual services is recognized as the service is delivered.

### (b) Basis of accounting

The College follows the accrual basis of accounting.

### (c) Inventory

Inventory which consists mainly of books and food supplies is recorded at the lower of cost or net realizable value.

### (d) Capital assets

Capital assets recorded prior to the April 1, 1997 amalgamation of the former Colleges are recorded at either cost, nominal, or approximate fair value. Capital assets acquired after April 1, 1997 are

recorded at cost. Amortization is recorded on a straight line basis using the following estimated useful lives:

Artwork	No amortization
Capital improvements	10 and 5 years
Computer and peripherals	3 years
Furnishings	5 years
Instructional equipment	5 years
Other electronic equipment	5 years
Software	3 years
Vehicles	5 years

One half year's amortization is taken in the year of acquisition.

The value of donated artwork has not been recorded in these financial statements. Due to the inability to secure professional appraisal services, an accurate valuation of donated artwork could not be obtained at March 31, 2002.

Minor equipment purchases are charged to operations in the year of acquisition.

On disposal, assets are removed from the accounts at their net book value. Proceeds from disposals are recorded and any resulting gain or loss on disposal is realized.

### (e) Severance and vacation pay

Severance and vacation pay are recorded on an accrual basis.

The College is liable for severance pay to employees who have nine or more years of continuous public service. An amount has been recorded in the financial statements to reflect this liability. No provision for severance has been made for employees with less than the required years of service.

## 2. Receivables

	2002	2001
Government of Newfoundland	\$ 1,922,606	\$ 1,333,882
HRD Subsidy	2,217,636	5,068,000
Students	780,445	701,558
Other	4,912,863	2,627,221
	<u>9,833,550</u>	<u>9,730,661</u>
Less allowance for doubtful accounts	<u>407,567</u>	<u>293,283</u>
	<u>\$ 9,425,983</u>	<u>\$ 9,437,378</u>

# Notes to the Financial Statements

## 3. Capital assets

	2002			2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Artwork	\$ 5,500	\$	\$ 5,500	\$ 5,500
Capital improvements	5,606,332	4,553,620	1,052,712	1,384,088
Computer and peripherals	15,429,417	11,618,916	3,810,501	3,888,265
Furnishings	701,091	577,080	124,011	113,949
Instructional equipment	22,912,502	19,009,309	3,903,193	4,213,885
Other electronic equipment	463,119	412,618	50,501	60,666
Software	357,303	183,353	173,950	229,176
Vehicles	2,980,262	2,268,394	711,868	405,277
	<u>\$ 48,455,526</u>	<u>\$ 38,623,290</u>	<u>\$ 9,832,236</u>	<u>\$ 10,300,806</u>

The land and buildings being used by the College, with the exception of some rental property, are the properties of the Province of Newfoundland and Labrador. Expenditures for repairs and maintenance of these buildings, paid by the Province, are not recorded in the financial statements of the College.

## 4. Trust accounts

Trust accounts represent donations and related interest restricted for scholarships, awards and other specified purposes. At year end, the trust funds had the following balances:

	2002	2001
Bay St. George/Port aux Basques		
Student Council	\$ 45,178	\$ 45,642
Olive Young Memorial	6,492	6,557
Don Wright	3,365	3,490
Business Studies	6,540	3,803
Mineral Technology	2,832	2,734
William Coady	716	787
Jenny Shears Memorial	1,963	2,185
Other	966	933
	<u>68,052</u>	<u>66,131</u>
Corner Brook/St. Anthony		
Environmental	74,976	76,242
Fisher Institute	13,427	13,252
Forestry	4,067	4,409
W.J. Howell	2,433	2,831
	<u>94,903</u>	<u>96,734</u>
Gander		
Air France	14,777	
	<u>14,777</u>	
Provincial		
Council	8,783	9,880
Royal Bank	52,154	53,245
Don Warr	31,527	30,436
	<u>92,464</u>	<u>93,561</u>



# Notes to the Financial Statements

## 4. Trust accounts (continued)

St. John's		
General	20,437	22,698
Hibernia	28,408	29,355
Homebuilders	23,642	23,596
Taylor	11,098	11,486
David Squires	8,757	8,743
Jack McGrath	6,092	5,881
John Reynolds	5,954	5,748
Seaborn	3,847	4,100
Computer Studies	3,497	3,569
Kathy Murray	5,978	4,810
Elizabeth Power-Anderson	800	
Albright and Wilson		66
	<u>118,510</u>	<u>120,052</u>
	<u>\$ 388,706</u>	<u>\$ 376,478</u>

At year end, the trust accounts were invested as follows:

RB Securities	\$ 388,706	\$ 376,478
Miscellaneous scholarships in general account	<u>8,276</u>	<u>6,600</u>
	<u>\$ 396,982</u>	<u>\$ 383,078</u>

## 5. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of grants and special funding received for the purchase of capital assets. Changes in the deferred capital contributions balances are as follows:

	<u>2002</u>	<u>2001</u>
Balance, beginning of year	\$ 3,372,746	\$ 3,342,220
Contributions received for capital purposes - Provincial grants	514,493	982,638
- Special projects	563,489	352,503
Amortization of deferred capital contributions	<u>(1,376,913)</u>	<u>(1,304,615)</u>
	<u>\$ 3,073,815</u>	<u>\$ 3,372,746</u>

## 6. Pensions

Under Section 26 of the College Act, 1996, College staff is subject to the Public Service Pension Act, 1996. Employee contributions are matched by the College and then remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire.

# Notes to the Financial Statements

## 7. Lease commitments

The College leases some equipment under long-term operating leases. Lease payments for the next four years, committed under operating leases extending beyond one year, are as follows:

2002-2003	\$	520,370
2003-2004		281,143
2004-2005		278,932
2005-2006		152,739

## 8. Centre for Forest and Environmental Studies

The Centre for Forest and Environmental Studies (CFES) was established in 1990 and federally incorporated as a separate entity in 1995. While all financial transactions have subsequently been processed through the College, separate financial statements are prepared for CFES. By reciprocal resolution of the CFES and College Boards, all assets and liabilities of CFES were assigned to the College on February 14, 2002, in preparation for the surrender of CFES' Charter. The Charter was surrendered to the Minister of Industry on July 23, 2002.

## 9. 10952 Newfoundland Inc.

10952 Newfoundland Inc. (operating as PNI Inc.) was originally incorporated in May 2000 as Pivotal Networks Inc. Pivotal Networks Inc. subsequently changed its name to 10952 Newfoundland Inc. in December 2000. This corporation was a partnership between the College, Operation ONLINE, and Sun Microsystems of Canada Inc. The corporation ceased doing business as at January 31, 2002. The Confirmation of Dissolution was received from the Registrar of Companies on April 14, 2002. While all financial transactions have been processed through the College, separate financial statements have been prepared for 10952 Newfoundland Inc.

## 10. Comprehensive Agreement with the State of Qatar

The College entered into a comprehensive agreement with the State of Qatar to establish, staff, operate, and administer a College of Applied Arts and Technology in Doha, Qatar on September 30, 2001. The agreement, funded by the State, consists of a start-up phase (September 30, 2001 to August 31, 2002) and an operational phase (September 1, 2002 to August 31, 2012) and is valued at approximately \$US 500 million (indexed to 2001). Currently, financial transactions are being processed through the College. Effective September 1, 2002, a separate financial system will be operational, in US dollars, and based in Doha, Qatar. Annual audits will be performed by an independent external auditor and reported both to the State of Qatar and the College. For its services, the College will be paid an annual Management Fee. The College's liability will be limited to the amount of the management fee only.

## 11. Prior period adjustment

In previous years, the College capitalized only those assets purchased from use of capital grants received from the Province of Newfoundland and Labrador. Capital assets purchased from revenue and from funds derived from special projects were expensed in the year of acquisition. During the year, the College changed its accounting policy to comply with Canadian generally accepted accounting principles to record as capital assets all assets purchased from grants, operations, and special projects. As well, during the year, the College completed its project of inventory and valuation of all capital assets. The effect of this change in accounting policy and project completion is that the opening net book value of capital assets at March 31, 2001 has decreased by \$5,965,801.

In prior years, the College recognized grants and special funds related to the purchase of capital assets as an increase to capital equity. During the year, the College changed its accounting policy to record these funds as deferred capital contributions. Revenue will be recognized as the related assets are amortized. The effect of this change in accounting policy is that the deferred capital contributions increased to \$3,372,746 at March 31, 2001.

During the year, the College changed its accounting policy of amortizing capital assets from declining balance to straight line to better reflect the economic useful life as disclosed in Note 1(d). The effect of this change in accounting policy is reflected in the reduced net book value described above.

## 12. Financial instruments

The carrying values of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities, approximate their fair values due to the relatively short periods to maturity of these instruments.

## 13. Comparative figures

Certain of the 2001 comparative figures have been reclassified to conform to the financial presentation adopted in 2002.

# College Administration

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HR Manager  
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HR Manager

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Associate District Administrator

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Fintan Mullaley,  
Associate District Administrator  
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